

INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

25X1

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

C-O-N-F-I-D-E-N-T-I-A-L

| | | | |
|----------------|--|---------------------------------|--------------|
| COUNTRY | Rumania | REPORT | |
| SUBJECT | Economic Situation in Rumania at the End of 1954 | DATE DISTR. | 21 June 1955 |
| | | NO. OF PAGES | 2 |
| DATE OF INFO. | | REQUIREMENT NO. | RD 25X1 |
| PLACE ACQUIRED | | REFERENCES | |
| DATE ACQUIRED | | This is UNEVALUATED Information | |

SOURCE EVALUATION IS TENTATIVE. APPRAISAL OF CONTENT IS TENTATIVE.

1. During 1954, the Rumanian Government placed at the disposal of the agricultural cooperatives and communities substantial credit facilities and took several steps to help the production of independent farmers. In spite of weather conditions, which were not favorable, the corn crop was larger than in the past. As a general rule, the production of corn and cereals amounts to 9 million tons per year. The potato crop was good in Transylvania. Good progress was made during 1954 in the field of consumer goods, particularly with regard to increased production and greater variety. New products, some of which were mass-produced, have been turned out in the food industry, light industry, electro-technical and chemical industries, and in the metallurgical plants and the associations of craftsmen. The sale of goods has increased to 22 billion lei. 25X1
2. The farmers have been enabled to supply the free markets in the cities with their products after delivery of the quotas set up by the Government. In this manner, more food has been made available in the industrial centers and cities. In 1955 food products will be sold in free markets at fixed official prices.
3. In order to avoid speculation on scarce items, such as sugar and bread, these two items are being sold at an official price to employees of factories, cooperatives and their members, administrative employees, members of the security forces, and retired persons with a pension who can buy both with ration cards and on the free market. For the remainder of the population these items must be bought on the free market. This system came into effect on 1 January 1955. The difference between the fixed government prices and the former rationed prices is made up by a cash subsidy which the State pays to the holders of ration cards. The payments are as follows: people holding type A cards receive 109 lei per month; those holding type B-1 cards, 87 lei per month; type B cards, 65 lei per month; type C, 51 lei per month; D-1 card, 38 lei per month; D-2 card, 43 lei per month, and D-3 card, 33 lei per month. For the miners, the difference in price is made up by a monthly payment of 25 lei for those working underground, and 11 lei per month for those working on the surface.

C-O-N-F-I-D-E-N-T-I-A-L

25X1

| | | | | | | | | | | | | | |
|-------|---|------|---|------|---|-----|---|-----|-----|--|--|--|--|
| STATE | X | ARMY | X | NAVY | X | AIR | X | FBI | AEC | | | | |
|-------|---|------|---|------|---|-----|---|-----|-----|--|--|--|--|

(Note: Washington distribution indicated by "X"; Field distribution by "#")

INFORMATION REPORT

C-O-N-F-I-D-E-N-T-I-A-L

25X1

- 2 -

25X1

For seasonal and temporary work, a special cash differential is also paid; this applies to persons working in the lumber industry and persons engaged in transportation activities in mines and forests.

4. The following prices have been set up by the Government:

Beef

| | |
|---------------|---------------------|
| Prime quality | 10 lei per kilogram |
| Second grade | 8 lei per kilogram |
| Third grade | 6 lei per kilogram |

Pork

| | |
|---------------|---------------------|
| Prime quality | 13 lei per kilogram |
| Second grade | 10 lei per kilogram |
| Third grade | 8 lei per kilogram |

Milk

| | |
|---------------|--------------------|
| In the summer | 1.50 lei per liter |
| In the winter | 2 lei per liter |

Eggs

| | |
|---------------|---------------|
| In the summer | 0.75 lei each |
| In the winter | 1 lei each |

Dry beans

| | |
|--|-----------------------|
| | 2.70 lei per kilogram |
|--|-----------------------|

5. The prices have been lowered on the following: corn flour by 10 percent; laundry soap by 20 percent; kerosene by 13.3 percent, and all other consumer goods by 10 to 15 percent. As a result of these measures, it is anticipated that there will be a gradual decrease in all prices, increased productivity, and a greater volume of goods available on the market.
6. The Government is planning to set up large bread bakeries and to supply the population with their products. They hope to save on cereals in this manner because it is felt that bread can be baked more cheaply and more efficiently in large bakeries. There are no longer any private bread shops, yet the state shops are not fully organized. As a result it is necessary for many housewives to travel great distances to buy bread.

25X1

C-O-N-F-I-D-E-N-T-I-A-L

25X1